



**THE STATE OF MISSOURI  
FY 2008  
CONSOLIDATED PLAN  
ACTION PLAN  
SUBSTANTIAL AMENDMENT**

**HOMELESSNESS PREVENTION AND RAPID  
RE-HOUSING PROGRAM (HPRP)**

**Prepared By  
The Department of Social Services**

**Submitted to  
U.S. Department of Housing and Urban Development (HUD)  
on May 18, 2009  
Pending HUD Approval**

# **2008 Consolidated Plan**

## **Action Plan Substantial Amendment State of Missouri Jeremiah W. (Jay) Nixon, Governor**

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## **Introduction**

Title XII of the American Recovery and Reinvestment Act (ARRA) of 2009, created funding for homelessness prevention, referred to by the U.S. Department of Housing and Urban Development (HUD) as the "Homelessness Prevention and Rapid Re-Housing Program (HPRP)". The HPRP will provide financial assistance and services to either prevent individuals and families from becoming homeless or help those who are experiencing homelessness to be quickly re-housed and stabilized.

The State of Missouri will receive \$27 million in HPRP funding from HUD. Five communities that met HUD formula requirements will receive \$15 million directly from HUD. The Department of Social Services will allocate the remaining \$12 million across the state. The following communities will receive funds directly from HUD:

Kansas City	\$ 3,628,139
Springfield	\$ 551,673
St. Joseph	\$ 727,371
St. Louis City	\$ 8,156,188
St. Louis County	\$ 2,188,751
Remainder of State	\$12,011,262

## **Distribution of Funds**

Prior to developing the draft Substantial Amendment to the Consolidated Plan, representatives of the State met with individuals with expertise and involvement in homelessness and housing and drafted the following guiding principles.

Guiding principles for the effective use of HPRP resources to prevent and end homelessness:

1. Resources should be targeted to households with the highest likelihood of becoming homeless.
2. Programs should provide just enough assistance to prevent or end an episode of homelessness stretching resources as far as possible.
3. Distribution of funds should achieve maximum access for needy Missourians while minimizing administrative costs as much as possible.
4. Other federal, state and local funds, including other ARRA funds must be coordinated.
5. HPRP funds should supplement and compliment existing programs. Subgrantees should have the infrastructure, capacity and experience to distribute funds rapidly to Missourians with housing needs that have been caused by the down turn in the economy.

These guiding principles were used by the State as the Homeless Prevention and Rapid Re-Housing Program was designed.

Missouri is set to receive a total allocation of approximately \$27 million, including nearly \$15 million in direct funding to 5 large metropolitan areas and \$12 million to be distributed across the state by the Department of Social Services.

The State of Missouri will use a formula that consists of the following elements:

- 50% poverty population (U.S. Census Bureau: Quick Facts, 2007 estimated),
- 25% food stamp usage (Missouri Department of Social Services, Monthly Management Report – January 2009), and
- 25% unemployment (Missouri Department of Economic Development, Missouri Local Area Unemployment Statistics (LAUS) – January 2009).

The selected formula includes unemployment, which is appropriate considering the goals and objectives of the ARRA.

### **Contracting Process for Subgrantee Awards**

The State of Missouri plans to distribute in excess of 90% of the financial assistance/housing relocation and stabilization services funding using the formula identified above to 113 of Missouri's 114 counties. This formula method will bring HPRP funding to the widest population of low-income families, homeless families and others with risk factors including, but not limited to persons with the following conditions or circumstances: eviction notice within 2 weeks, discharged from an institution, sudden and significant loss of income, mental health and substance abuse issues, physical disabilities and other chronic health issues, experienced homelessness in last 12 months, young pregnant women or teenagers, and extremely low-income. County staff are closer to the needs, providers and resources in their communities and can make informed decisions about how best to meet the needs of local citizens.

The State of Missouri is selecting not to include the HUD direct funded communities of Kansas City, Springfield, St. Louis City, St. Joseph and St. Louis County in the initial formula allocation.

The State will prepare an announcement and identify each counties' allocation based on the formula and requirements for receiving an HPRP grant. The announcement will request counties to submit a letter of intent declaring their willingness to participate. Counties will have an option to designate another unit of local government to act as the subgrantee for the county. To facilitate local and regional needs, the State will provide counties the option of joining together in a multi-county or regional application. In these instances, the counties must declare their intent to cooperate, submit a combined application and designate a county or other local unit of government as the lead subgrantee. All funds allocated by formula to the participating counties will be eligible under the multi-county application. DSS will approve the cooperative application.

After the initial formula allocation distribution is complete, there may be counties that indicate they are not going to participate or designate another unit of local government to be the subgrantee. Funds that would have been allocated to these counties, plus the remaining funds will be allocated by the State through a second allocation distribution. To effect this second allocation, the State will use the same formula, a revised formula to reflect newer or more appropriate data, or a competitive process. For this second allocation, all HUD direct funded communities will be eligible in addition to the other counties. The amount of funding available and the need to allocate funds quickly, while keeping administrative costs low, will be among the factors considered when a final decision is made on the method for the second allocation.

The State of Missouri will prepare and distribute a funding application. All participating counties will be required to identify their subgrantees and outline their program. Counties will be required to provide information on how they intend to meet accountability, monitoring and reporting requirements.

The State of Missouri will conduct at least one training meeting with county and non-profit staff to provide information, answer questions and share best practices.

The State of Missouri will review each county's application and resolve any outstanding issues. Contracts with counties will be issued by the State before September 15, 2009. The State of Missouri will have funds obligated before September 30, 2009.

### **Collaboration**

Missouri's HPRP application will include a requirement for local subgrantees to identify a community planning process to make sure collaboration and planning take place at the local level. This planning is necessary to prevent duplication, waste, and assure subgrantees that can best provide eligible services are identified and funded. Subgrantees will be required to coordinate with other ARRA funds and existing funds such as the Community Services Block Grant (CSBG), Emergency Food and Shelter Grant Program (EFSGP), Continuum of Care (CoC), Emergency Shelter Grant (ESG), Low-Income Home Energy Assistance Program (LIHEAP), Missouri Housing Trust Fund (MHTF) and Housing Choice Voucher.

The application will require communities use the most appropriate method for planning which could be a Continuum of Care, or other existing local planning process which should include a broad group of stakeholders. DSS will also suggest that United Way organizations could be helpful in organizing local stakeholders.

Missouri has eight Continua of Care Regions; St. Joseph, Kansas City, Joplin, Springfield, St. Louis County, St. Louis City, St. Charles and Balance of State. As indicated previously, the State of Missouri will designate counties to assume responsibility for coordination with local community planning efforts. The State of Missouri will make it clear in scope of work and through contract documents that subgrantees shall conduct local

community planning that prevents duplication and aligns HPRP activities with the Continuum of Care strategies for preventing and ending homelessness.

### **Use of Funding for Financial Assistance and Housing Relocation/Stabilization Services**

The State of Missouri has established the following priorities for the FFY2008-2012 Consolidated Plan.

- Affordable housing for low-income families,
- Affordable housing for homeless families and families with other special needs,
- Affordable homeownership for low and moderate income families,
- Preservation of affordable housing for low-income persons and families, and
- Affordable housing for the elderly.

Financial assistance and housing relocation and stabilization services will help address the State of Missouri's priorities in the areas of affordable housing for low-income families, homeless families, the elderly and families with other special needs. HPRP funds will enhance and increase the strategies outlined in the Consolidated Plan.

### **Four Categories of Eligible Activities**

#### **1) Financial Assistance:**

- a. **Short and medium-term rental assistance** are tenant-based rental assistance that can be used to allow participants to remain in their existing rental units or to help them obtain and remain in rental units they select. Short-term rental assistance may not exceed rental costs accrued over a period of 3 months. Medium-term rental assistance may not exceed actual rental costs accrued over a period of 4-18 months. No program participant may receive more than 18 months of assistance under HPRP. Rental assistance may also be used to pay up to 6 months of rental arrears if the payment enables the participant to remain in the housing unit or move to another unit. Arrears must be included in determining the 18 month limit. HUD encourages provision of ongoing case management, as needed, to transition participants to independence, including permanent housing (subsidized or unsubsidized). Must make payments only to third parties-landlords or utility companies. Program participant must be on the lease to use HPRP funds. HUD is requiring grantees and subgrantees to certify eligibility at least once every 3 months for all program participants receiving medium-term rental assistance.
- b. **Security and utility deposits:** HPRP funds may be used to pay for security deposits, including utility deposits, for eligible program participants.
- c. **Utility payments:** HPRP funds may be used for up to 18 months of utility payments, including up to 6 months of utility payment arrears, for each program participant, provided that the participant or a member of his/her

household has an account in his/her name with a utility company of proof or responsibility to make utility payments.

- d. **Moving cost assistance:** HPRP funds may be used for reasonable moving costs, such as truck rental, hiring a moving company, or short-term rental storage fees for a maximum of 3 months or until the program participant is in housing, whichever is shorter.
- e. **Motel and hotel vouchers:** HPRP funds may be used for reasonable and appropriate motel and hotel vouchers for up to 30 days if no appropriate shelter beds are available and subsequent rental housing has been identified but is not immediately available for move-in by program participant.

## 2) **Housing Relocation and Stabilization Services**

- a. **Case Management:** Funds may be used for activities for the arrangement, coordination, monitoring, and delivery of services related to meeting the housing needs of program participants and helping them obtain housing stability. Component services and activities may include: counseling; developing, securing and coordinating services; monitoring and evaluating program participant progress; assuring that program participants' rights are protected; and developing an individualized housing and service plan, including a path to permanent housing stability subsequent to HPRP financial assistance.
- b. **Outreach and engagement:** Funds may be used for services or assistance designed to publicize the availability of programs to make persons who are homeless or almost homeless aware of these and other available services and programs.
- c. **Housing search and placement:** HPRP housing search and placement funds may be used for services or activities designed to assist individuals and families in locating, obtaining and retaining suitable housing. Component services or activities may include: tenant counseling; assisting individuals and families to understand leases; securing utilities; making moving arrangements; representative payee services concerning rent and utilities; and mediation and outreach to property owners related to locating or retaining housing.
- d. **Legal services:** Funds may be used for legal services to help people stay in their homes, such as services or activities provided by a lawyer or other person(s) under the supervision of a lawyer to assist participants with legal advice and representation in administrative or court proceedings related to tenant/landlord matters or housing issues. Legal services related to mortgages are not eligible.
- e. **Credit repair:** Funds may be used for services that are targeted to assist program participants with critical skills related to household budgeting, money management, accessing a free personal credit report and resolving personal credit issues.

Missouri's Plan will encourage subgrantees to focus higher levels of assistance to individuals and families that have multiple risk factors.

Missouri proposes using the eligibility criteria that households must be at or below 50 percent of the Area Median Income (AMI).

### **3) Data Collection and Evaluation**

- a. **Data collection:** The Recovery Act requires that data collection and reporting for the HPRP be conducted through the use of Homeless Management Information System (HMIS) or a comparable client-level database. Reasonable and appropriate costs associated with operating an HMIS for purposes of collecting and reporting data required under HPRP and analyzing patterns of use of HPRP funds are eligible. Eligible costs include the purchase of HMIS software and/or user licenses, leasing or purchasing needed computer equipment for providers and the central server, costs associated with data collection, entry and analysis, and staffing associated with the operation of the HMIS, including training. HMIS activities that are ineligible include: planning and development of HMIS systems; development of new software systems; and replacing state and local government funding for an existing HMIS. Only those jurisdictions that do not have an HMIS already implemented may use a portion of these funds for HMIS implementation or start-up activities.
- b. **Evaluation:** Grantees and subgrantees, if asked by HUD, must comply in HUD sponsored research and evaluation of HPRP.

Missouri will make available resources to support HMIS efforts in areas that do not receive HPRP funds directly from HUD.

### **4) Administrative Costs**

- a. **Administrative costs** may be used for: pre-award administrative costs; accounting; reporting; audits; similar costs related to administering the grant after award; and grantee or subgrantee staff salaries associated with these administrative costs. Administration includes training for staff who will administer the program or case managers who will serve participants, as long as the training is directly related to learning about HPRP. Administrative costs do not include costs of issuing financial assistance, providing housing relocation and stabilization services, or carrying out eligible data collection and evaluation. No more than 5 percent of the total HPRP grant to the grantee may be spent on administrative costs, whether by the grantee and subgrantee(s). All administrative costs must be incurred, and all funds for administrative costs must be drawn down from Integrated Disbursement Information System prior to the 3 year expenditure deadline. Grantees shall share a reasonable amount of their administrative funds with subgrantees.



### Estimated Budget Summary

HUD requires the grantee to complete the following table so that participants in the citizen participation process may see the grantee's preliminary estimated amounts for various HPRP activities.

<b>HPRP ESTIMATED BUDGET SUMMARY</b> September 1, 2009 thru September 1, 2011 (Approximate)			
	<b>Homeless Prevention</b>	<b>Rapid Re-Housing</b>	<b>Total Amount Budgeted</b>
<b>Financial Assistance</b>	\$2,727,675.00	\$2,727,675.00	\$5,455,350.00
<b>Housing Relocation and Stabilizations Services</b>	\$2,727,674.00	\$2,727,675.00	\$5,455,349.00
<b>Subtotal</b>	\$5,455,349.00	\$5,455,350.00	\$10,910,699.00

	<b>State</b>	<b>Subgrantee</b>	
<b>Data Collection and Evaluation</b>	\$250,000.00	\$250,000.00	\$500,000.00
<b>Administration (up to 5% of allocation)</b>	\$240,000.00	\$360,563.00	\$600,563.00
<b>Total HPRP Amount Budgeted</b>			\$12,011,262.00

<sup>1</sup>Financial assistance includes the following activities as detailed in the HPRP Notice: short-term rental assistance, medium-term rental assistance, security deposits, utility deposits, utility payments, moving cost assistance, and motel or hotel vouchers.

<sup>2</sup>Housing relocation and stabilization services include the following activities as detailed in the HPRP Notice: case management, outreach, housing search and placement, legal services, mediation, and credit repair.

<sup>3</sup>Data collection and evaluation includes costs associated with operating HUD-approved homeless management information systems for purposes of collecting unduplicated counts of homeless persons and analyzing patterns of use of HPRP funds.

<sup>4</sup>This amount must match the amount entered in the cell on the table in Section A titled "Amount Grantee is Requesting."

### **Public Comment**

Public comment was accepted from May 1-12, 2009. The public was invited to either send written comments or attend a public meeting at the Harry S Truman Building, Conference Room 400, 301 West High Street, Jefferson City, MO 65101 on May 7, 2009, at 2:30 p.m. During the public hearing, DSS reviewed the plan for HPRP implementation and accepted comments from the public. Written comments were accepted via email

The final version of the substantial amendment to the Consolidated Plan 2008 Action Plan was submitted to HUD on May 18, 2009. Funds will be made available by September 30, 2009.